

**Amendment No. 1 to HB2276**

**West  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 2414**

**House Bill No. 2276\***

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 50-6-121, is amended by adding the following as a new subsection:

(f) Within its annual report to the general assembly, the council shall report on activities and outcomes related to the workers' compensation fraud act, codified as title 56, chapter 47. The departments of commerce and insurance, labor and workforce development, the Tennessee bureau of investigation and the district attorneys general conference shall cooperate with the council in the development of information for inclusion in such report.

SECTION 2. Tennessee Code Annotated, Section 50-6-121(e)(3), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(3) On or before December 15, 2002, the council shall report to the special joint committee on workers' compensation its findings and recommendations, if any, on methods available to control the growth of medical costs within the workers' compensation system.

SECTION 3. Tennessee Code Annotated, Section 50-6-208(b)(2)(B), is amended by deleting the item in its entirety and by substituting instead the following:

(B) Claims against the fund shall be made by either the injured employee or the employer in the manner prescribed in subsection 50-6-206.

SECTION 4. Tennessee Code Annotated, Section 50-6-206(a), is amended by inserting in the eighth sentence of the subsection the language "in an action filed by

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either the employer or the injured employee” between the language “party defendant to the proceedings” and the language “and an attorney”.

SECTION 5. Tennessee Code Annotated, Section 56-5-314(c)(3), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(c)

(3) No later than July 1 of each year, the commissioner shall determine whether the membership of the assigned risk pool, created pursuant to Subsection 56-5-314(c), for the prior calendar year exceeds fifteen percent (15%) of the membership of the eligible employer market, as based on premium, excluding self insured employers and self insured groups. For any period in which it is determined the membership of the assigned risk pool exceeds fifteen percent (15%) of the membership of the eligible employer market, the commissioner shall issue a report to the advisory council on workers’ compensation setting forth the percentage of the eligible employer market insured through the assigned risk pool and the reasons contributing to increased membership of the pool. The report shall include recommendations as to whether:

(A) the competitive state workers’ compensation insurance fund, established by Title 50, Chapter 6, Part 6, should be activated;

(B) a plan of direct assignment on a randomized basis of all assigned risk plan policies to insurers offering workers’

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compensation insurance subject to subdivision (c)(4) should be implemented;

(C) other actions should be taken; or

(D) no action should be taken.

The advisory council shall have ninety days (90) to provide written comments to the commissioner regarding such report and recommendations. After receipt of the advisory council's comments and recommendations, the commissioner shall take such action as deemed appropriate; provided, the commissioner shall hold a hearing before electing to activate the competitive state workers' compensation insurance fund or to institute a plan of direct assignment.

SECTION 6. Sections 3 and 4 of this act shall take effect on July 1, 2002, and all other provisions of this act shall take effect on becoming law, the public welfare requiring it.